



IN THE KNOW: STATE REFUNDS

In late summer, every Colorado taxpayer who filed a 2021 tax return by June 30th, received a check for \$750. Joint filers received \$1,500. The funds are a welcome boost as inflationary pressures at the national and global levels push prices higher for staples like food and fuel. What are these checks and how were they calculated?



Under the state Constitution’s TABOR Amendment, the state may spend only a certain amount of tax revenue it receives. Money that comes in over the limit must be returned to taxpayers, according to a legislative formula.



Under existing law, the top 7 percent of taxpayers (those making \$246,000 and above) were set to receive more than 15 percent of the total amount going back to Colorado taxpayers.



State lawmakers passed [SB22-233](#), which restructured the rebate so that 62 percent of Coloradans – those making \$91,000 a year or less – would receive a larger check than they would have without the legislation. Taxpayers also will get rebate checks sooner. Typically, the refund would go to taxpayers when they file taxes for the next year, but lawmakers chose to advance the timing.

Taxpayer Distribution by Adjusted Gross Income (AGI)

up to \$45,000	34.98%
\$45,001 to \$91,000	26.95%
\$91,001 to \$144,000	17.43%
\$144,001 to \$200,000	9.09%
\$200,001 to \$254,000	4.35%
\$254,000 and up	7.21%

Key Context

- TABOR’s arbitrary definition of “surplus” ignores real and growing needs for services, creating and exacerbating unmet needs.
- State budget experts have reported that Colorado will not have the revenue to maintain even current levels of services in just a few years. TABOR rebates will eat away at current community investments soon. This will be the case even if TABOR “surpluses” diminish, as expected.
- State lawmakers this year took steps to structure the refunds to be more fair, benefiting lower- and middle-income Coloradans. That rebate structure is good for one year only, and so future TABOR rebates will be more regressive and disproportionately go to the wealthy.
- As economic uncertainty continues, it’s unclear how much longer Colorado will continue to refund tax dollars via TABOR.